

Annual General Meeting of Shareholders 2014

Welcome

April 16, 2014



Agendapunt 1 / Agenda item 1

- Opening

Agendapunt 2 / Agenda item 2

- Verslag van de Raad van Bestuur over het boekjaar 2013
- *Report of the Management Board for financial year 2013*

Dick Boer

Chief Executive Officer





Reshaping Retail framework

We have a robust **business model**,
built on strong local brands...

we are keeping
our **promises...**

and we have the ambition to drive
performance and go for **growth.**



Ahold is becoming
a better place to shop,
a better place to work,
and a better neighbor.



Creating growth:

- Increasing customer loyalty
- Broadening our offering
- Expanding geographic reach

Enabling growth:

- Simplicity
- Responsible retailing
- People performance

Our values

Putting the customer first; Doing what's right; Loving what we do;
Making ideas happen; Getting better every day

Our vision

Better choice. Better value. Better life. Every day.

Group highlights 2013

Financial performance

- Sales up 2.0% at constant exchange rates with a challenging second half of the year
- Market share in our major markets slightly up
- Successful cost savings program enabled us to achieve broadly stable underlying operating income
- Strong free cash flow generation of €1.1 billion, up 5,5%
- Dividend increased by 7% to €0,47 per share

Actively shaping our portfolio

- Successfully sold our stake in ICA
- Exited New Hampshire and Slovakia
- Continued successful expansion into Belgium

Focus on growth

- Further invested in our customer offering
- Achieved online sales over €1 billion as we build a true omni-channel business
- Continued to improve our business in Czech Republic through the acquisition of 50 SPAR stores

Our promises are how we get better every day





Better place to shop

- Great quality and freshness
- Finding the products you want
- Good prices and exciting promotions
- Easy to shop
- Friendly and helpful employees

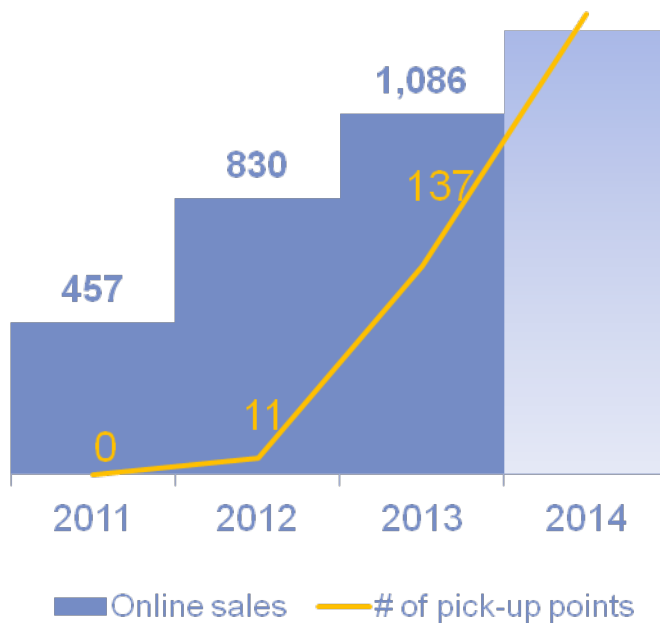




Ahold is building a true omni-channel business

Strong online sales growth expected to continue

(in million euros)



Our brands







Better place to work

- Respect for each other
- Good working conditions
- Opportunities to develop
- Support from my manager
- Recognition for performance









Better neighbor

- Healthy living choices made easy
- Contribution to community well-being
- Responsibly sourced products
- Care for the environment





Dow Jones Sustainability Index

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

9% 

Executive Committee



Supervisory Board



Our strategy helps us leverage changing consumer trends

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we are keeping our **promises**...

and we have the ambition to drive performance and go for **growth**.



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Better
every day



Thank you



Jeff Carr

Chief Financial Officer



Operating performance

(in millions of euros)

	Full year			
	2013	2012	Change	Change at constant rates
Sales	32,615	32,682	(0.2%)	2.0%
Gross profit margin	26.6%	26.4%	0.2	0.2
Underlying operating income	1,379	1,412	(2.3%)	(0.5%)
Underlying operating margin	4.2%	4.3%	(0.1)	(0.1)

- A softer fourth quarter reflecting low levels of inflation and pressure on volumes
- Strong progress on our €600 million cost savings program for 2012-2014, delivering €295 million in 2013

Operating performance by segment

(in millions)

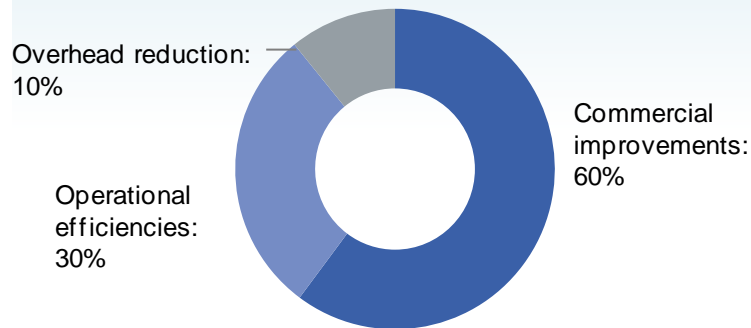
	Ahold USA		The Netherlands		Czech Republic	
	2013	Change	2013	Change	2013	Change
Sales	\$26,118	1.1%	€11,494	4.0%	€1,445	(4.7%)
Underlying operating income	\$1,064	(2.9%)	€619	0.7%	€30	11.1%
Underlying operating margin	4.1%	(0.1)	5.4%	(0.2)	2.1%	0.3

- In the United States, ID sales excluding gasoline grew by 0.3% reflecting low levels of inflation
- In the Netherlands, increased pension cost of €41 million (0.4%) is included in 2013 underlying operating income
- In the Czech Republic, we continued to improve the profitability of our business

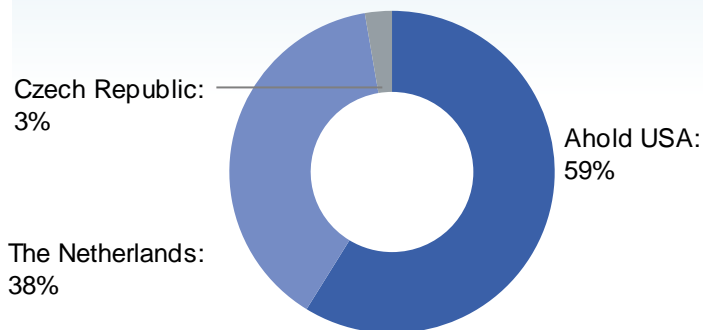


Simplicity cost savings program

Functional split



Regional split



Strong progress in cost savings program

- All our businesses have successful cost savings programs underway
- Delivered €295 million in 2013:
 - Commercial improvements
 - Operational efficiencies
 - Overhead reduction
- Ahead of plan on our three-year (2012-2014) €600 million cost savings program; delivered €485 million in savings to date

Adjusted net income

(in millions of euros)

	Full year		
	2013	2012	Change
Underlying operating income	1,379	1,412	(2.3%)
Operating income	1,239	1,336	(7.3%)
<i>Net financial expenses</i>	(291)	(208)	(39.9%)
<i>Income taxes</i>	(153)	(267)	42.7%
<i>Share in income (loss) of joint ventures</i>	10	8	25.0%
Income from continuing operations	805	869	(7.4%)
<i>Multi-employer pension plan settlement</i>	39	-	
<i>Movements in income tax contingency reserves</i>	(37)	-	
<i>Write-down of capitalized software development costs</i>	-	52	
Adjusted income from continuing operations	807	921	(12.4%)
Adjusted EPS	€0.79	€0.89	(11.2%)
Dividend per share	€0.47*	€0.44	6.8%
Payout ratio	51%	50%	1%-pt

* Subject to shareholder approval
Amsterdam, April 16, 2014

Dividend

Dividend 2013

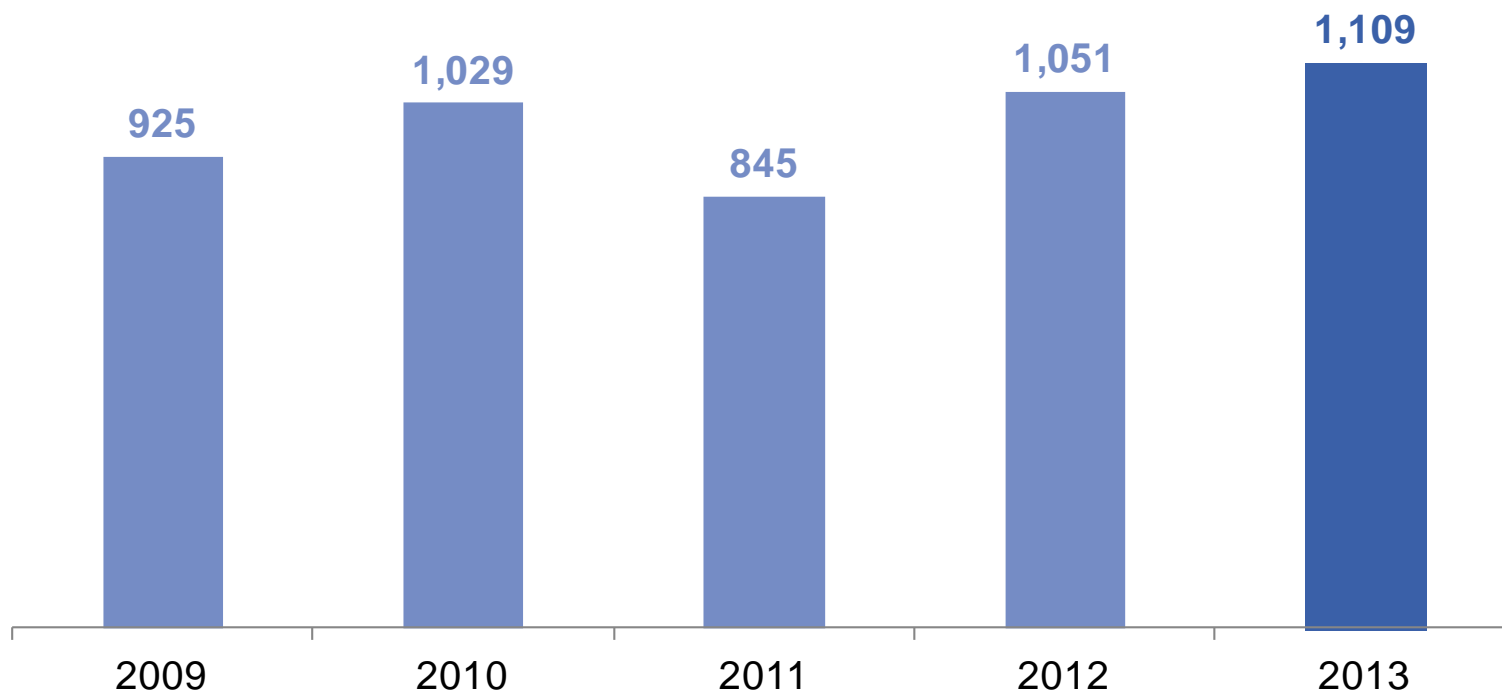
- €0.47 per common share

Timetable

- April 22, 2014 Ex-dividend date
- April 24, 2014 Dividend record date
- May 2, 2014 Payment date

Free cash flow

(in millions of euros)

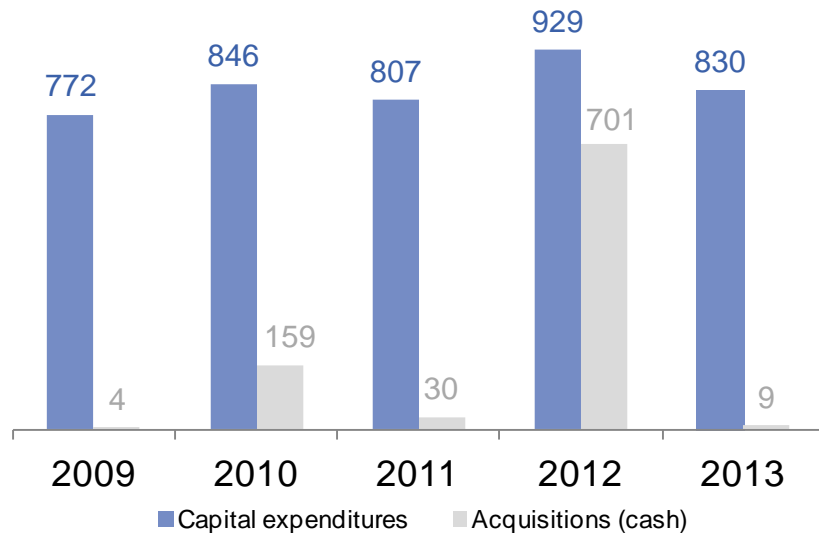


- Continued strong free cash flow of €1.1 billion in 2013

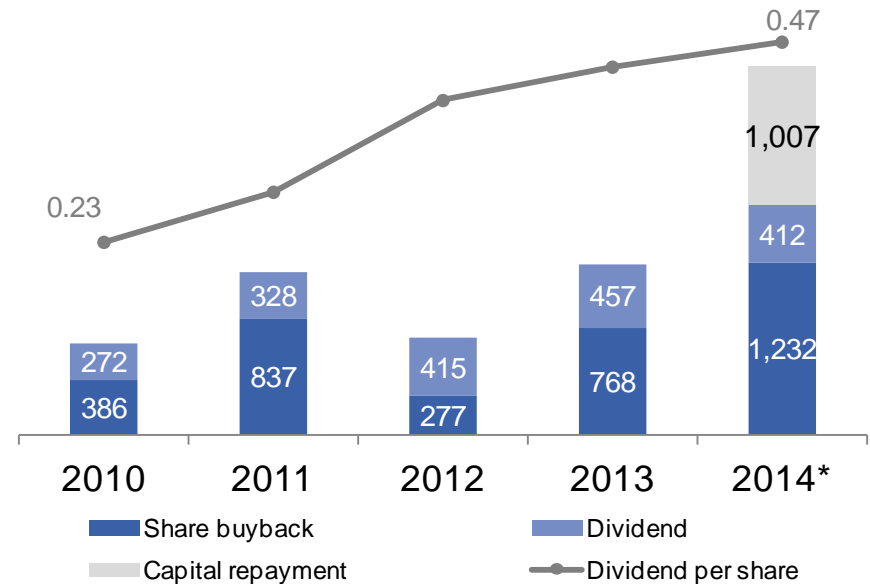
Uses of cash

(in millions of euros)

Continuous balanced investments



Attractive shareholder returns



Capital structure

- **Capital structure temporarily impacted by the sale of ICA (€2.5 billion)**
 - Gross debt at €3.0 billion, down €0.2 billion
 - Cash balances up €2.1 billion to €4.0 billion
 - Net lease-adjusted debt / EBITDAR at 0.9 times (1.3 after capital repayment)
- **Continue to optimize cash position in 2014**
 - Remaining share buyback €1.2 billion
 - Capital repayment €1.0 billion

Financial strategy

Balanced investment in growth and return excess cash

Return on capital

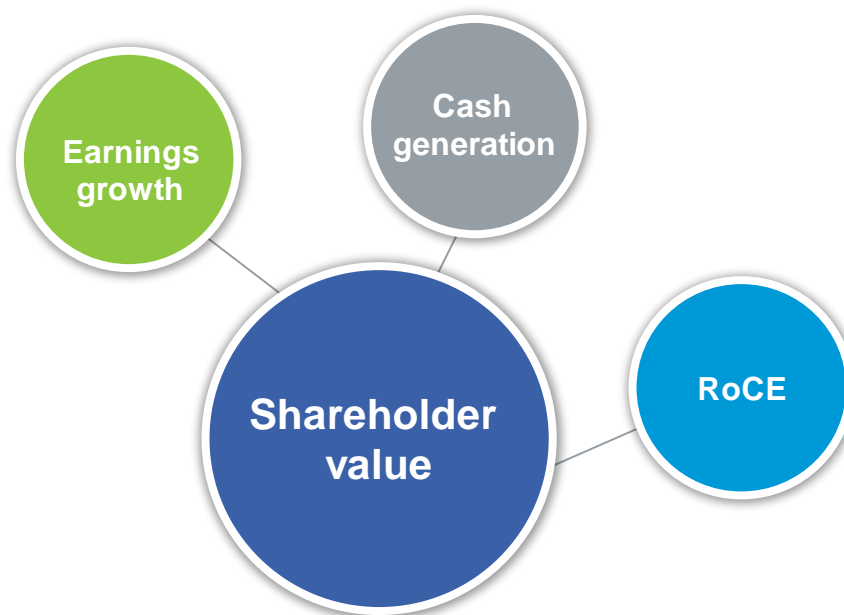
- Top quartile of the sector

Capital structure

- Net lease adjusted debt to EBITDAR around 2x
- Liquidity around €2 billion
- Committed to investment grade credit rating

Dividend policy

- Distribute 40-50% of adjusted income from continuing operations



Summary

- **Sales growth of 2.0% at constant exchange rates, with a tough second half of the year**
- **Good progress on our cost savings program of €600 million for 2012-2014**
- **Continued strong free cash flow of €1.1 billion**
- **Proposed dividend of €0.47, up 7%**
- **Actively shaping our portfolio and focused on growth**
- **Clear financial strategy with a balanced approach between investing in the business, repaying debt, and returning cash to shareholders**

Remuneration policy 2013



2013 Remuneration policy

	Purpose and link to strategy	Policy
Base salary	<ul style="list-style-type: none"> The base salary supports the recruitment and the retention of MB members with the required skills and experience to implement Ahold's strategy. 	<ul style="list-style-type: none"> Base salaries are quoted in Euros and are reviewed annually.
Short term incentive	<ul style="list-style-type: none"> The short term incentive plan is aligned with Ahold's strategy and supports the Company's pay for performance culture. 	<ul style="list-style-type: none"> Target level (as % of base salary): 100% Maximum bonus (as % of base salary): 150% Calculation of the annual incentive: <ul style="list-style-type: none"> 90% based on Ahold's financial results 10% on responsible retailing performance
Long term incentive	<ul style="list-style-type: none"> Allows participants to benefit from the value that has been accrued during the course of the plan. Aims at aligning global goals and Ahold's local businesses. 	<ul style="list-style-type: none"> Target levels (as % of base salary): <ul style="list-style-type: none"> CEO and COO Ahold USA: 185% CFO and CCGC: 150%

Cautionary notice

These presentations includes forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to Ahold reshaping retail framework, Ahold's strategy, including but not limited to further investment in customer offering and omni-channel business, responsible retailing, dividend, cash position, return on capital, capital structure, savings program, financial strategy and remuneration. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold's ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Ahold's plans and strategies being less than or different from those anticipated, changes in Ahold's liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold's disclosures. The audience is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of these presentations. Koninklijke Ahold N.V. does not assume any obligation to update any public information or forward-looking statements in these presentations to reflect subsequent events or circumstances, except as may be required by law. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold".

Discussie agendapunten 2, 3, 4, 5 en 6

Discussion agenda items 2, 3, 4, 5 and 6



Stemming is geopend / Voting is open

Om te stemmen, druk op 1, 2 of 3

Register your vote by pressing 1, 2 or 3

1 = voor / for
2 = tegen / against
3 = onthouding / abstention

Correctie / Correction

Maak opnieuw uw keuze. Uw laatste keuze geldt.

Make your choice again. Your last choice will be registered.



Agendapunt 5 / Agenda item 5

- Voorstel tot vaststelling van de jaarrekening over het boekjaar 2013
- *Proposal to adopt 2013 financial statements*

Agendapunt 6 / Agenda item 6

- Voorstel tot vaststelling dividend over het boekjaar 2013
- *Proposal to determine the dividend over financial year 2013*

Agendapunt 7 / Agenda item 7

- Voorstel tot het verlenen van décharge aan de leden van de Raad van Bestuur
- *Discharge of liability of the members of the Management Board*

Agendapunt 8 / Agenda item 8

- Voorstel tot het verlenen van décharge aan de leden van de Raad van Commissarissen
- *Discharge of liability of the members of the Supervisory Board*

Agendapunt 9 / Agenda item 9

- Voorstel tot benoeming van de heer L.J. Hijmans van den Bergh voor een nieuwe termijn tot lid van de Raad van Bestuur met ingang van 16 april 2014
- *Proposal to appoint Mr. L.J. Hijmans van den Bergh for a new term as a member of the Management Board, with effect from April 16, 2014*

Agendapunt 10 / Agenda item 10

- Voorstel tot benoeming van mevrouw J.A. Sprieser voor een nieuwe termijn tot lid van de Raad van Commissarissen met ingang van 16 april 2014
- *Proposal to appoint Mrs. J.A. Sprieser for a new term as a member of the Supervisory Board, with effect from April 16, 2014*

Agendapunt 11 / Agenda item 11

- Voorstel tot benoeming van de heer D.R. Hooft Graafland tot lid van de Raad van Commissarissen met ingang van 1 januari 2015
- *Proposal to appoint Mr. D.R. Hooft Graafland as a member of the Supervisory Board, with effect from January 1, 2015*

Agendapunt 12 / Agenda item 12

- Voorstel tot wijziging van de bezoldiging van de Raad van Commissarissen
- *Proposal to amend the remuneration of the Supervisory Board*

Agendapunt 13 / Agenda item 13

- Benoeming Accountant
- *Appointment Auditor*

Agendapunt 14 / Agenda item 14

- Aanwijzing tot uitgifte van aandelen
- *Authorization to issue shares*

Agendapunt 15 / Agenda item 15

- Aanwijzing tot het beperken of uitsluiten van voorkeursrechten
- *Authorization to restrict or exclude pre-emptive rights*

Agendapunt 16 / Agenda item 16

- Machtiging tot inkoop van eigen aandelen
- *Authorization to acquire shares*

Agendapunt 17 / Agenda item 17

- Intrekking van gewone aandelen
- *Cancellation of common shares*

Agendapunt 18 / Agenda item 18

- Sluiting
- *Closing*

Questions



Thank you



Albert Heijn

